

**CO-OPERATIVE FEDERATION OF VICTORIA LTD  
FINANCIAL STATEMENTS  
YEAR ENDING 30 JUNE 2011**

# **CO-OPERATIVE FEDERATION OF VICTORIA LTD**

## **DIRECTORS' REPORT**

### **To the members,**

Your directors submit their report, together with the accounts of the Federation, for the year ended 30 June 2011.

### **DIRECTORS**

The Directors in office during the year and up to the date of this report are:

Diane BATTERHAM  
John Niel BLACK  
David Graham DINNING  
Shirley FARAM  
Anthony Francis O'SHEA  
Rowan DOWLAND (Appointed 3 May 2011)

### **COMPANY SECRETARY**

Mr David Griffiths held the position of secretary at the end of the financial year.

### **PRINCIPAL ACTIVITIES**

The principal activities of the Federation in the course of the financial year were:

- Maintaining relations with the Registry of Co-operatives
- Maintenance of Australian Co-operative portal <[www.australia.coop](http://www.australia.coop)>
- Promoting the Co-operative option
- Conducting seminars and workshops
- Participating in meetings of the Co-operatives Council of Australia
- Development of a Co-operative education program
- Fostering co-operation between Co-operatives.

### **OPERATING RESULTS FOR THE YEAR**

The surplus of the Federation for the financial year after provision for income tax was \$8,515 (2010 \$466).

### **ENVIRONMENTAL REGULATION**

The Co-operative's activities are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### **DIVIDENDS**

The Directors recommend that no amount should be paid by way of dividend. No amount has been paid or declared by way of dividend since the end of the previous financial year.

### **REVIEW OF OPERATIONS**

The Federation concluded the financial year with an operating surplus of \$8,515 after provision for income tax compared to \$466 for the previous year.

## CO-OPERATIVE FEDERATION OF VICTORIA LTD

### DIRECTORS' REPORT

#### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Federation over the year.

#### INFORMATION ON DIRECTORS

**Diane Batterham**

Director  
Executive of Westgate Health Co-operative Ltd.

**John Niel Black**

Past Chairman  
33 years experience as Co-operative Director

**David Graham Dinning**

Independent Director  
33 years as a Director and Manager and full-time professional at various levels of the Credit Co-operative movement in Australia and overseas.

**Shirley Faram**

Director  
Director of South East Housing Co-operative Ltd

**Anthony Francis O'Shea**

Chairman  
Director and Secretary, Avoca District Co-operative Ltd  
36 years experience as Co-operative Director/Manager

**Rowan Dowland**

Director  
General Manager – Development, Bank MECU

Five board meetings were held during the 2010/11 year. The attendances at board meetings were:

Name	Number of Meetings Attended	Number of Meetings Eligible to Attend
D. Batterham	1	5
N. Black	5	5
D. Dinning	5	5
S. Faram	5	5
A. O'Shea *	3	5
R. Dowland	1	1

\* Leave of Absence granted for part of the year.

## DIRECTORS EMOLUMENTS

Directors are not paid any fees for services as a director. The directors were paid for consultancy services and reimbursements as follows:

	Consultancy Fees	Reimbursements	Total
	\$	\$	\$
A. O'Shea	-	1,612.88	1,612.88
N. Black	-	-	-
D. Dinning	-	1,001.00	1,001.00
D. Batterham	-	-	-
S. Faram	-	-	-
R. Dowland	-	-	-
	<hr/>	<hr/>	<hr/>
Total	-	2,613.88	2,613.88

Excepting the amounts disclosed above, since the end of the previous financial year, no Director of the Federation has received or become entitled to receive a benefit, by reason of a contract made by the Federation with the Director or with a firm of which he/she is a member or with a company in which he/she has a substantial financial interest.

No director has an interest in a contract which the directors are entitled to a benefit which confers a right to call for or deliver shares in, or debentures of or interest in a registered scheme made available by the Federation or a related body corporate.

## AFTER BALANCE DATE EVENTS

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the Federation's operations for the next succeeding financial year.


## INDEMNIFYING OFFICERS OR AUDITORS


The Federation has paid a premium to insure directors and officers against liability for costs and expense incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a director or officer of the Federation, other than conduct involving wilful breach of duty in relation to the Federation.

The Federation has not given or entered into an agreement to indemnify any person who is or has been an officer or auditor of the Federation in relation to defending legal proceedings.

This report is made in accordance with a resolution of the Board and is signed for and on behalf of the Directors.

Signed on this 27<sup>th</sup> day of October, 2011.

  
.....  
Director - David Dinning

  
.....  
Director - Tony O'Shea



**CO-OPERATIVE FEDERATION OF VICTORIA LTD**

**INCOME STATEMENT  
YEAR ENDED 30 JUNE 2011**

	Notes	2011 \$	2010 \$
<b>INCOME</b>			
Consultancy Fees		29,345	15,166
Co-operative Education Programs		7,200	7,400
Membership Subscriptions		19,150	11,480
Interest Received		<u>1</u>	<u>-</u>
		<u>55,696</u>	<u>34,046</u>
<b>EXPENSES</b>			
Accounting Fees		715	715
Advertising		187	514
Bank Charges		30	70
Co-operative Education Programs		7,158	6,642
Conference		-	200
Fees & Levies		48	47
Honorariums	6	5,112	5,112
Insurance		1,760	1,760
Meeting Expenses		2,053	1,299
Office & Computer Requisites		1,293	632
Postage, Printing & Stationery		2,194	1,440
Secretary's Consultants Fees		23,112	12,140
Telephone, Fax & Internet		2,090	2,400
Travel and Accommodation Reimbursements		<u>1,429</u>	<u>609</u>
		<u>47,181</u>	<u>33,580</u>
<b>Operating Surplus Before Income Tax</b>		8,515	466
Income Tax Expense Attributable to Operating Surplus	2	<u>-</u>	<u>-</u>
<b>Operating Surplus After Income Tax</b>		<u>8,515</u>	<u>466</u>

The accompanying notes form part of the accounts.

**CO-OPERATIVE FEDERATION OF VICTORIA LTD**

**BALANCE SHEET  
AS AT 30 JUNE 2011**

	Notes	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash at Bank		12,070	13,443
Term Deposit		10,001	-
Trade Debtors		<u>1,670</u>	<u>450</u>
<b>Total Assets</b>		<u>23,741</u>	<u>13,893</u>
 <b>CURRENT LIABILITIES</b>			
Sundry Creditors		<u>1,333</u>	<u>-</u>
<b>Total Liabilities</b>		<u>1,333</u>	<u>-</u>
 <b>NET ASSETS</b>		<u>22,408</u>	<u>13,893</u>
 <b>EQUITY</b>			
Share Capital	3	570	570
Reserves		1,106	1,106
Retained Surplus		<u>20,732</u>	<u>12,217</u>
<b>Total Equity</b>		<u>22,408</u>	<u>13,893</u>

The accompanying notes form part of the accounts.

**CO-OPERATIVE FEDERATION OF VICTORIA LTD**

**STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED 30 JUNE 2011**

	Ordinary Shares	Retained Surplus	Forfeited Share Reserve	Statutory Reserve	Total
	\$	\$	\$	\$	\$
<b>Balance at 30 June 2009</b>	550	11,751	790	316	13,407
Operating Surplus	-	466	-	-	466
Ordinary Shares Issued	20	-	-	-	20
<b>Balance at 30 June 2010</b>	570	12,217	790	316	13,893
Operating Surplus	-	8,515	-	-	8,515
Ordinary Shares Issued	-	-	-	-	-
<b>Balance at 30 June 2011</b>	570	20,732	790	316	22,408

The accompanying notes form part of the accounts.

**CO-OPERATIVE FEDERATION OF VICTORIA LTD**

**CASH FLOW STATEMENT  
YEAR ENDED 30 JUNE 2011**

	Notes	2011 \$ Inflows (Outflows)	2010 \$ Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Receipts from operating activities		54,475	35,441
Cash Payments from operating activities		<u>(45,848)</u>	<u>(33,580)</u>
Net Cash Provided by Operating Activities	4(b)	<u>8,627</u>	<u>1,861</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Share Capital Received		-	20
Share Capital Redeemed		-	-
Investments Purchased		<u>(10,000)</u>	<u>-</u>
Net Cash Provided by Financing Activities		<u>(10,000)</u>	<u>20</u>
<b>Net increase in cash held</b>		(1,373)	1,881
Cash at the beginning of the financial year		<u>13,443</u>	<u>11,562</u>
<b>Cash at the end of the financial year</b>	4(a)	<u>12,070</u>	<u>13,443</u>

The accompanying notes form part of the accounts.



**CO-OPERATIVE FEDERATION OF VICTORIA LTD**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
YEAR ENDED 30 JUNE 2011**

**1. Summary of Significant Accounting Policies**

The directors have prepared the financial statements on the basis that the Co-operative is a non-reporting entity because there are no user's dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the members and satisfy the financial reporting requirements of the Co-operatives Act 1996.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

**a) Plant and Equipment**

Plant and equipment are included at cost. All assets are depreciated over their useful lives by the straight line method.

**b) Income Tax**

The charge for current income tax expense is based on the surplus for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax will be recognised from the initial recognition of an asset or liability, excluding business combination, where there is no effect on accounting surplus or taxable income or loss.

**CO-OPERATIVE FEDERATION OF VICTORIA LTD**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
YEAR ENDED 30 JUNE 2011**

**b) Income Tax (Cont'd)**

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

NOTES TO AND FORMING PART OF THE ACCOUNTS  
YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
<b>2. Income Tax Expense</b>		
a) The prima face tax payable on operating surplus is reconciled to the income tax provided in the accounts as follows:		
Operating Surplus before Income Tax	8,515	466
Less Exempt Mutual Income	<u>(8,514)</u>	<u>(466)</u>
Tax Profit	<u>1</u>	<u>-</u>
<b>Income Tax Expense</b>	<u>-</u>	<u>-</u>

**CO-OPERATIVE FEDERATION OF VICTORIA LTD**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**YEAR ENDED 30 JUNE 2011**

	2011 \$	2010 \$
<b>3. Share Capital</b>		
Issued capital: 285@\$2 shares (2010: 285@\$2)	<u>570</u>	<u>570</u>
<b>4. Cash flow Statement Information</b>		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:		
Cash at Bank – Bendigo Bank	<u>12,070</u>	<u>13,443</u>
(b) Reconciliation of operating surplus/(loss) to net cash flows from operation as follows:		
Operating Surplus After Income Tax	8,515	466
Depreciation	-	-
Decrease/(Increase) in stock	-	-
Decrease/(Increase) in debtors	(1,220)	1,395
(Decrease)/Increase in creditors	<u>1,332</u>	<u>-</u>
Cash flows (used in)/provided by operations	<u>8,627</u>	<u>1,861</u>
<b>6. Honorariums</b>	<u>5,112</u>	<u>5,112</u>
Honorarium payments are to the Secretary. The Secretary is the sole recipient of any honorarium payments.		

**CO-OPERATIVE FEDERATION OF VICTORIA LTD**


**DIRECTORS DECLARATION**

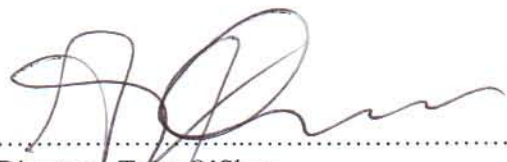
The Directors have determined that the Federation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors declare that:

1. The financial statements and notes, as set out on pages 4 to 11:
  - a. comply with Accounting Standards as described in Note 1 to the financial statements and the *Co-operatives Act 1996*; and
  - b. give a true and fair view of the Federation's financial position as at 30 June 2011 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable.

Signed this 27<sup>th</sup> day of October, 2011 in accordance with a resolution of Directors.

  
.....  
Director – David Dinning

  
.....  
Director - Tony O'Shea



# **CO-OPERATIVE FEDERATION OF VICTORIA LTD**

## **COMPILATION REPORT**

We have compiled the accompanying special purpose financial statements of Co-operative Federation of Victoria Ltd, which comprise the Balance Sheet as at 30 June 2011, Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Directors of Co-operative Federation of Victoria Ltd are solely responsible for the information contained in the special purpose financial statements and have determined that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

On the basis of information provided by the Directors, we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting and APES 315 Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the directors and members of the company. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

**Prowse Perrin & Twomey**  
**Certified Practising Accountants**

**20 Lydiard Street South**  
**BALLARAT VIC 3350**

  
**Mr T.S. Bunning (Partner)**

**27 October, 2011**